

ROBERTA MEYER  
SENIOR COUNSEL, RISK CLASSIFICATION  
robbiemeyer@acli.com



January 12, 2004

Via Electronic Mail

Jennifer J. Johnson  
Secretary of the Board  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, D.C. 20551

Federal Trade Commission  
Office of the Secretary, Room 159-H  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

Re: Proposed Effective Dates for the FACT Act  
Federal Reserve Docket No. R-1175  
Federal Trade Commission Project No. P044804

Ladies and Gentlemen:

These comments are submitted to the Board of Governors of the Federal Reserve System (the "Board") and the Federal Trade Commission (the "Commission") in connection with the above-mentioned Proposed Effective Dates for the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act") on behalf of the American Council of Life Insurers ("ACLI"). The ACLI is the principal trade association of life insurance companies whose 383 member companies account for 73 percent of the assets of legal reserve life insurance companies in the United States, 70 percent of life insurance premiums and 77 percent of annuity considerations. ACLI members are also major participants in the pension, long term care insurance, disability income insurance and reinsurance markets.

The ACLI urges that the Board and the Commission establish an effective date of December 4, 2004 rather than December 1, 2004 for proposed sections 12 C.F.R. § 222.1(c)(3) and 16 C.F.R. § 602.1(c)(3). As the Board is aware, the President signed the FACT Act on December 4, 2003.<sup>1</sup> Section 3(1) of the FACT Act provides that regulations of the Board and the Commission prescribing the effective dates of the provisions of the Act shall be effective no later than two months after the date of enactment, *i.e.*, by February 4, 2004. Section 3(2) of the FACT Act provides that the Board and the Commission shall establish effective dates of the provisions of the Act that are no later than ten months after the date on which the regulations are issued. Accordingly, the Board and the Commission could establish an effective date for various provisions as late as December 4, 2004.

---

<sup>1</sup> <http://www.whitehouse.gov/new/releases/2003/12/20031204-15.html>

As the Board and the Commission recognize, implementation of the FACT Act and regulations adopted by the agencies will require industry to modify existing systems and implement new systems and procedures. The Board and the Commission should provide as much time as possible to industry to ensure smooth implementation. Because December 1, 2004 is a Wednesday, the ACLI believes that an effective date that falls in the middle of the week is undesirable and could work a hardship on many companies. Establishing a December 4, 2004 effective date would provide companies with an additional week in which to implement and test new systems. The ACLI believes that December 4 would be more logical effective date to ensure that the implementation process proceeds smoothly. Accordingly, the ACLI requests that the Board and the Commission establish an effective date of December 4, 2004 for those provisions for which you have proposed an effective date of December 1<sup>st</sup>.

The ACLI appreciates your consideration of its views.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberta B. Meyer", with a long horizontal flourish extending to the right.

Roberta B. Meyer